

## Firstsource Solutions Limited

### AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064

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(Rs in millions, except per share data and per equity data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2017	2017	2016	2017	2016	2017
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Income</b>						
Revenue from operations	8,631.41	8,463.75	8,600.78	25,601.81	25,925.42	34,569.11
Other operating income, net	240.97	265.94	253.31	777.72	707.66	986.99
Other income	26.09	4.22	14.06	79.81	36.55	32.05
<b>Total income</b>	<b>8,898.47</b>	<b>8,733.91</b>	<b>8,868.15</b>	<b>26,459.34</b>	<b>26,669.63</b>	<b>35,588.15</b>
<b>Expenses</b>						
Employee benefits expenses	6,044.63	5,941.49	5,900.73	17,927.66	17,667.73	23,834.37
Depreciation and amortisation	171.74	162.31	155.71	486.90	479.17	589.61
Finance costs	103.84	101.97	98.82	315.07	339.00	453.16
Other expenses	1,666.42	1,691.48	1,881.66	5,187.69	5,575.49	7,341.83
<b>Total expenses</b>	<b>7,986.63</b>	<b>7,897.25</b>	<b>8,036.92</b>	<b>23,917.32</b>	<b>24,061.39</b>	<b>32,218.97</b>
<b>Profit before tax and share in net (loss) of associate</b>	<b>911.84</b>	<b>836.66</b>	<b>831.23</b>	<b>2,542.02</b>	<b>2,608.24</b>	<b>3,369.18</b>
Share in net profit / (loss) of associate	-	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)
<b>Profit before tax</b>	<b>911.84</b>	<b>836.64</b>	<b>831.22</b>	<b>2,542.01</b>	<b>2,608.23</b>	<b>3,369.17</b>
<b>Tax expense (Refer Note 3)</b>						
Current tax	145.80	110.01	116.73	360.57	354.53	454.36
Deferred tax	(229.51)	39.09	16.82	(155.66)	110.31	122.43
<b>Net profit after tax</b>	<b>995.55</b>	<b>687.54</b>	<b>697.67</b>	<b>2,337.10</b>	<b>2,143.39</b>	<b>2,792.38</b>
Other comprehensive income, net of taxes	(158.93)	53.16	89.96	(200.34)	(98.88)	(480.07)
<b>Total comprehensive income</b>	<b>836.62</b>	<b>740.70</b>	<b>787.63</b>	<b>2,136.76</b>	<b>2,044.51</b>	<b>2,312.31</b>
<b>Profit attributable to:</b>						
Owners of the equity	<b>995.47</b>	<b>687.50</b>	<b>700.06</b>	<b>2,336.94</b>	<b>2,146.27</b>	<b>2,799.96</b>
Non - controlling interest	0.08	0.04	(2.39)	0.16	(2.88)	(7.58)
<b>Total comprehensive income attributable to:</b>	<b>995.55</b>	<b>687.54</b>	<b>697.67</b>	<b>2,337.10</b>	<b>2,143.39</b>	<b>2,792.38</b>
Owners of the equity	<b>836.94</b>	<b>740.47</b>	<b>790.31</b>	<b>2,136.93</b>	<b>2,047.04</b>	<b>2,312.69</b>
Non - controlling interest	(0.32)	0.23	(2.68)	(0.17)	(2.53)	(0.38)
<b>Total comprehensive income attributable to:</b>	<b>836.62</b>	<b>740.70</b>	<b>787.63</b>	<b>2,136.76</b>	<b>2,044.51</b>	<b>2,312.31</b>
Earning per share (Rs) : (Face value per share of Rs 10)						
-Basic	1.46	1.01	1.03	3.42	3.17	4.14
-Diluted	1.45	1.00	1.02	3.40	3.13	4.08

#### Notes to financials results :

1. The audited interim condensed consolidated financial statements for the quarter and nine months ended December 31, 2017 have been taken on record by the Board of Directors at its meeting held on February 7, 2018. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited interim condensed consolidated financial statements. These financial statements are prepared in accordance with the Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2. During the nine months ended December 31, 2017, 3,952,007 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. Tax expense for the quarter ended and nine months ended 31 December 2017, is net of Deferred tax credit of Rs 240.77 million, after taking into account reduction in US Federal tax rate.

#### 4. Standalone Information (Audited) under Ind AS

Particulars	Quarter ended			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2017	2017	2016	2017	2016	2017
Total income	2,130.14	2,170.83	2,534.37	6,783.95	7,122.08	9,548.51
Net profit before taxation	606.06	510.31	599.10	1,704.45	1,540.43	2,187.36
Net profit after taxation and before other comprehensive income	510.88	438.53	526.30	1,454.98	1,337.96	1,884.59

(Rs in millions)

**5. Segment Reporting - Consolidated audited**

Particulars	Quarter ended			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2017	2017	2016	2017	2016	2017
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Segment revenue</b>						
a) Customer management	4,702.13	4,766.31	4,826.69	14,202.52	14,734.72	19,286.23
b) Healthcare	3,063.52	2,844.18	2,841.96	8,790.53	8,390.27	11,425.12
c) Collections	865.76	853.26	932.13	2,608.76	2,800.43	3,857.76
<b>Total</b>	<b>8,631.41</b>	<b>8,463.75</b>	<b>8,600.78</b>	<b>25,601.81</b>	<b>25,925.42</b>	<b>34,569.11</b>
Less: Inter-segment revenue	-	-	-	-	-	-
<b>Net segment revenue</b>	<b>8,631.41</b>	<b>8,463.75</b>	<b>8,600.78</b>	<b>25,601.81</b>	<b>25,925.42</b>	<b>34,569.11</b>
<b>Segment results before tax and finance costs</b>						
a) Customer management	746.68	693.83	854.11	2,075.53	2,597.24	3,321.89
b) Healthcare	515.69	462.74	415.07	1,451.46	1,196.54	1,676.45
c) Collections	92.54	52.43	106.95	221.52	336.29	495.69
<b>Total</b>	<b>1,354.91</b>	<b>1,209.00</b>	<b>1,376.13</b>	<b>3,748.51</b>	<b>4,130.07</b>	<b>5,494.03</b>
i) Finance costs	(103.84)	(101.97)	(98.82)	(315.07)	(339.00)	(453.16)
ii) Other unallocable expenditure net of unallocable income	(339.23)	(270.37)	(446.08)	(891.42)	(1,182.83)	(1,671.69)
iii) Share in net profit / (loss) of associate	-	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)
<b>Profit before tax and other comprehensive income</b>	<b>911.84</b>	<b>836.64</b>	<b>831.22</b>	<b>2,542.01</b>	<b>2,608.23</b>	<b>3,369.17</b>
<b>Segment assets</b>						
a) Customer management	7,066.25	6,735.12	6,229.50	7,066.25	6,229.50	5,347.73
b) Healthcare	17,541.71	17,852.71	18,228.09	17,541.71	18,228.09	17,253.82
c) Collections	3,830.44	3,950.26	3,834.79	3,830.44	3,834.79	3,850.46
e) Unallocable	4,879.13	5,426.43	4,700.17	4,879.13	4,700.17	6,285.31
	<b>33,317.53</b>	<b>33,964.52</b>	<b>32,992.55</b>	<b>33,317.53</b>	<b>32,992.55</b>	<b>32,737.32</b>
<b>Segment liabilities</b>						
a) Customer management	5,175.81	5,289.66	5,079.48	5,175.81	5,079.48	3,337.09
b) Healthcare	4,152.74	5,103.84	5,317.76	4,152.74	5,317.76	6,380.68
c) Collections	153.21	166.86	214.23	153.21	214.23	217.33
e) Unallocable	1,292.80	1,764.18	2,300.67	1,292.80	2,300.67	2,510.44
	<b>10,774.56</b>	<b>12,324.54</b>	<b>12,912.14</b>	<b>10,774.56</b>	<b>12,912.14</b>	<b>12,445.54</b>

**Note on segment information***Business segments*

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented into three key business segments comprising customer management, healthcare and collections. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

The Group has reclassified reportable segment 'Domestic business in India' to 'Customer Management' during the period ended December 31, 2017.

**By order of the Board**  
For Firstsource Solutions Limited

Kolkata, India  
February 7, 2018

**Rajesh Subramaniam**  
Managing Director and CEO

## Firstsource Solutions Limited

### AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064

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Particulars	Quarter ended			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2017	2017	2016	2017	2016	2017
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Income</b>						
Revenue from operations	1,860.20	1,886.55	2,225.06	5,921.81	6,314.21	8,408.65
Other operating income, net	249.44	236.72	243.05	746.75	685.69	992.00
Other income	20.50	47.56	66.26	115.39	122.18	147.86
<b>Total income</b>	<b>2,130.14</b>	<b>2,170.83</b>	<b>2,534.37</b>	<b>6,783.95</b>	<b>7,122.08</b>	<b>9,548.51</b>
<b>Expenses</b>						
Employee benefits expenses	994.84	1,053.32	1,189.91	3,254.25	3,451.32	4,579.96
Depreciation and amortisation	56.04	54.10	51.60	160.22	151.14	190.32
Finance costs	(6.11)	22.11	39.47	35.38	82.82	67.75
Other expenses	479.31	530.99	654.29	1,629.65	1,896.37	2,523.12
<b>Total expenses</b>	<b>1,524.08</b>	<b>1,660.52</b>	<b>1,935.27</b>	<b>5,079.50</b>	<b>5,581.65</b>	<b>7,361.15</b>
<b>Profit before tax</b>	<b>606.06</b>	<b>510.31</b>	<b>599.10</b>	<b>1,704.45</b>	<b>1,540.43</b>	<b>2,187.36</b>
<b>Tax expense</b>						
Current tax	94.33	57.95	66.30	230.59	182.32	258.36
Deferred tax	0.85	13.83	6.50	18.88	20.15	44.41
<b>Net profit after tax</b>	<b>510.88</b>	<b>438.53</b>	<b>526.30</b>	<b>1,454.98</b>	<b>1,337.96</b>	<b>1,884.59</b>
Other comprehensive income, net of taxes	44.69	(189.85)	55.65	(319.24)	143.37	180.48
<b>Total comprehensive income</b>	<b>555.57</b>	<b>248.68</b>	<b>581.95</b>	<b>1,135.74</b>	<b>1,481.33</b>	<b>2,065.07</b>
<b>Earning per share (Rs): (Face value per share of Rs 10)</b>						
-Basic	0.75	0.64	0.78	2.13	1.98	2.79
-Diluted	0.74	0.64	0.77	2.12	1.95	2.75

#### Notes to financials results :

1. The audited interim condensed standalone financial statements for the quarter and nine months ended December 31, 2017 have been taken on record by the Board of Directors at its meeting held on February 7, 2018. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited interim condensed standalone financial statements. These financial statements are prepared in accordance with the Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2. During the nine months ended December 31, 2017, 3,952,007 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. As per Ind AS 108 - Operating Segment, if a financial report contains both condensed consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the condensed consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial results.

**By order of the Board**  
For Firstsource Solutions Limited

Kolkata, India  
February 7, 2018

**Rajesh Subramaniam**  
Managing Director and CEO